

REPORT

DATE: August 18, 2003

TO: Transportation and Communications Committee (TCC)

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SUBJECT: **Transportation System Preservation**

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve Plans and Programs Technical Advisory Committee (P&P TAC) recommendation to adopt the proposed funding increase over current trends for system preservation.

BACKGROUND:

The Planning and Programming Technical Advisory Committee (TAC) has discussed and evaluated the preservation needs of the Region's multi-modal transportation system.

The three primary components of the transportation system addressed by the RTP are: the State Highway System, Arterials of regional significance, and transit. The TAC recognizes that transportation system is maturing and in many cases has exceeded its original design life. Consistent with the 2004 RTP adopted goal to "Preserve and ensure a sustainable regional transportation system", the TAC has worked extensively with SCAG staff to make sure the RTP protects our vast investments in the system to date.

An analysis of preservation needs versus funding trends shows a significant shortfall, especially for the State Highway System. The attached presentation details these findings, which can be summarized as follows:

- Current funding trends for preservation add up to \$34 billion for the three types through 2030 as follows:
 - Transit preservation represents \$20 billion
 - Arterial preservation represents \$8.5 billion
 - State Highway System preservation represents \$5.5 billion

Note that the estimates for the State Highway System (SHS) preservation assume declining gas tax revenues. The State Highway Operations and Protection Program (SHOPP), which funds the

preservation of the SHS, is highly dependent on gas tax revenues. Therefore, any decline in these funds is assumed to lead to a proportional decline in SHOPP.

- Increasing the funding to address the most pressing needs and the increased demand would require an additional \$6 billion, primarily for the State Highway and arterials of regional significance.
- Increasing the funding to address all the estimated needs would require an additional \$15 billion (inclusive of the \$6 billion) broken down as follows:
 - \$5 billion for transit
 - \$4 billion for arterials of regional significance
 - \$6 billion for the State Highway System

It is important to note that these increases are not over and beyond current levels. In fact, \$4 billion out of the \$6 billion for State Highway System preservation would merely preserve recent expenditure trends.

The TAC recognizes that with limited funding, mobility, operations, and preservation needs cannot all be fully funded. It therefore recommends assigning at least \$6.6 billion to preservation over and beyond current funding trends. This represents only 20-25 percent of the additional innovative funding identified by the financial team.

It also represents less than \$20 per year per capita and will serve to protect our investments so that they can serve future generations as well. The remaining funds can then be distributed to operations and expansion investments with the highest benefits.

FISCAL IMPACT:

Work related to this item is in the current budget. No fiscal impact anticipated.



Southern California Association of Governments

System Performance Measures

Final Preservation Analysis Results

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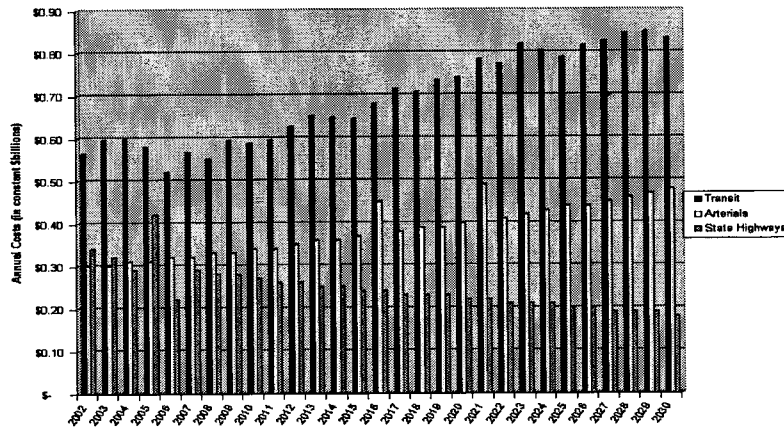
Agenda

Preservation expenditures based on current trends

Preservation costs analysis

Summary

Maintenance costs by mode based on current expenditure trends and plans

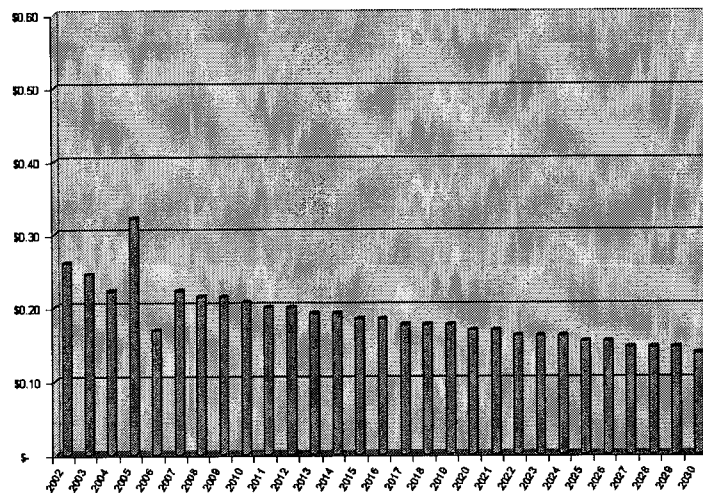


THE RESULTS DO NOT REFLECT NEEDS. THEY DO REFLECT THE EXPENDITURES BASED ON CURRENT PLANS AND REVENUE TRENDS.

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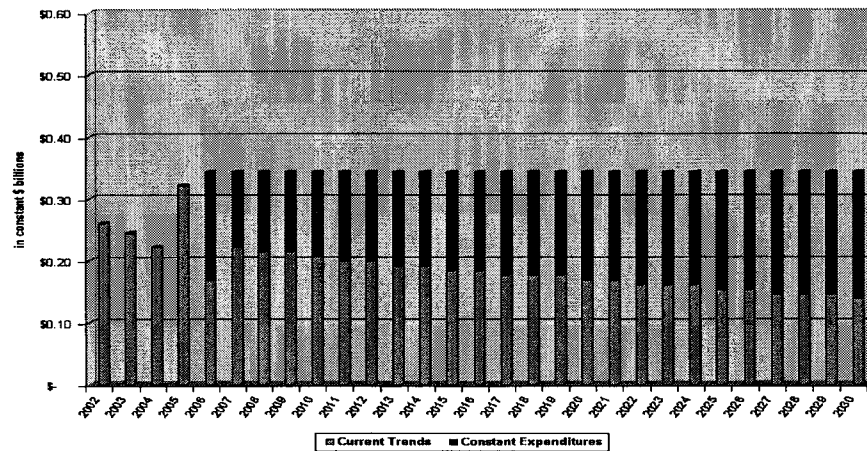
Preservation cost analysis – State Highway System preservation expenditure trends add up to \$5.45 billion



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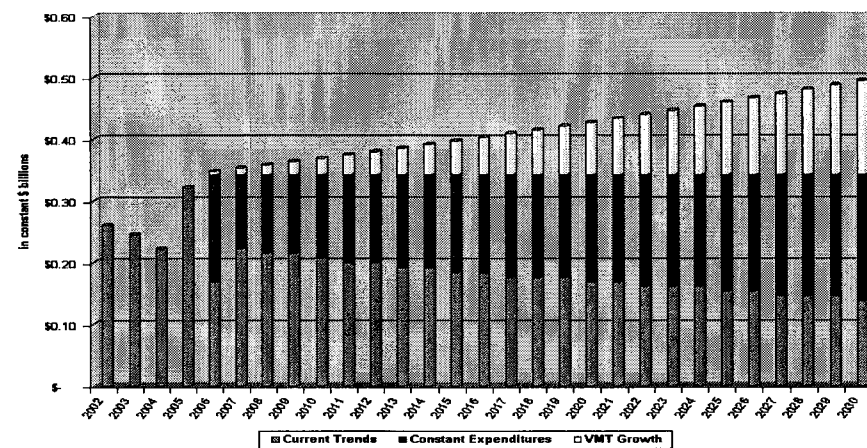
Preservation cost analysis – If State Highway maintenance expenditures are kept constant, we would need an additional \$4.15 billion



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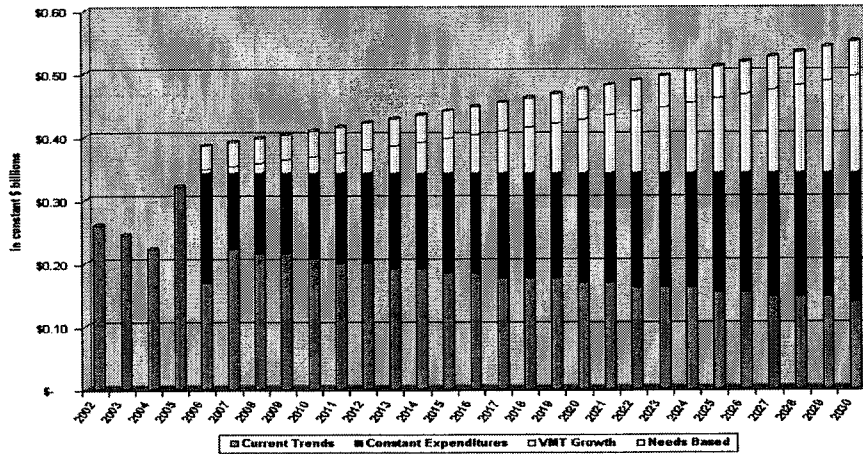
Preservation cost analysis – If State Highway maintenance expenditures are to keep pace with VMT growth, we would need an additional \$6 billion



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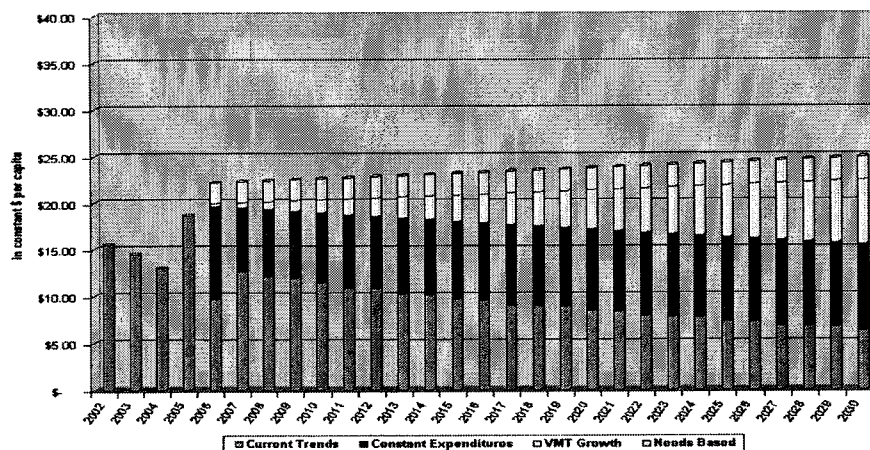
Preservation cost analysis – If State Highway maintenance expenditures are to meet all needs, we would need an additional \$7.15 billion



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Preservation costs per capita for the State Highway System range between \$7 and \$25 per year depending on the strategy selected



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Arterial preservation data is limited

Information on current conditions is somewhat limited

Expenditures estimated by the Financial Team show an upward trend

Needs based analysis assumed similar conditions to State Highway System (i.e., an 11% deficiency rate)

These assumptions were compared with the SR 8 survey results

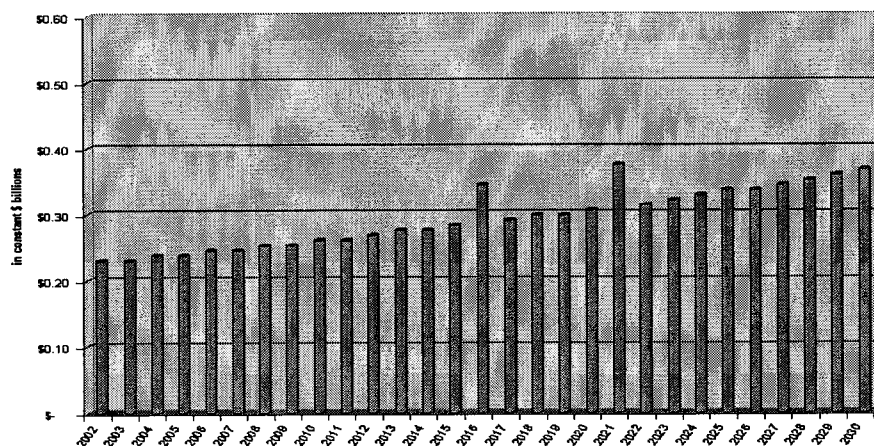
These assumptions were also compared with some checks using input from SR 8 survey results and the 1998 OCTA Countywide Pavement Condition Assessment Study, which showed a 13% deficient or "very poor" proportion and a 20 year need of \$340 million for arterials (part of which is funded by local governments)

These assumptions were also compared to MTA's preservation needs study which show an need of approximately \$775 million as well as \$1.48 billion of future needs over 20 years. These estimates are higher than the original assumptions.

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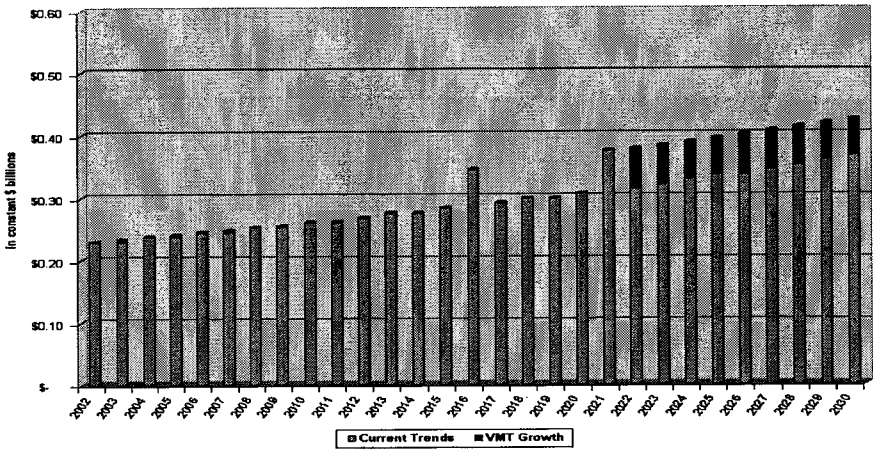
Preservation cost analysis – Arterial preservation expenditure trends add up to \$8.5 billion



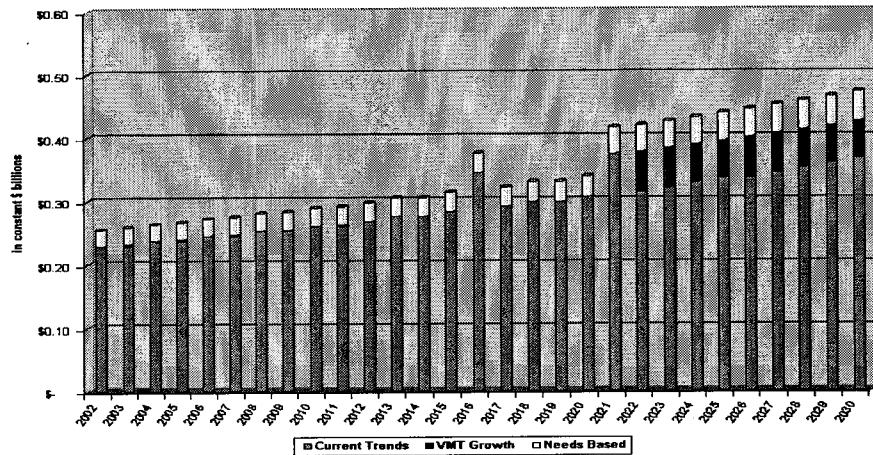
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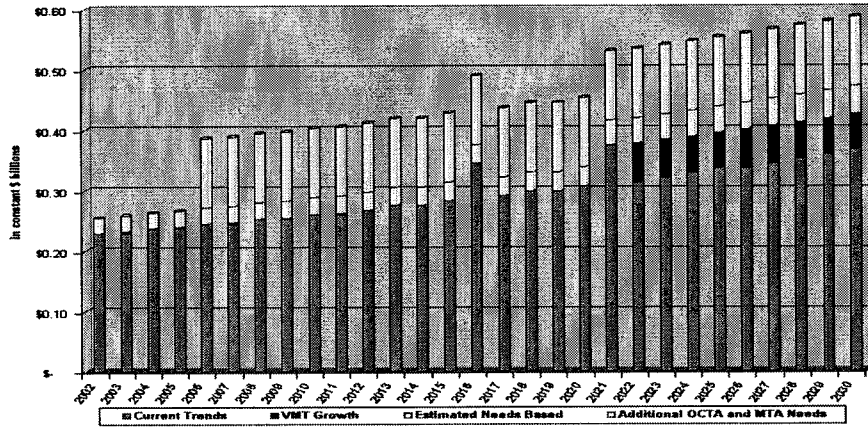
Preservation cost analysis – If Arterial maintenance expenditures are to keep pace with VMT growth, we would need an additional \$0.56 billion



Preservation cost analysis – If Arterial maintenance expenditures are to meet all needs, we would need an additional \$1 billion



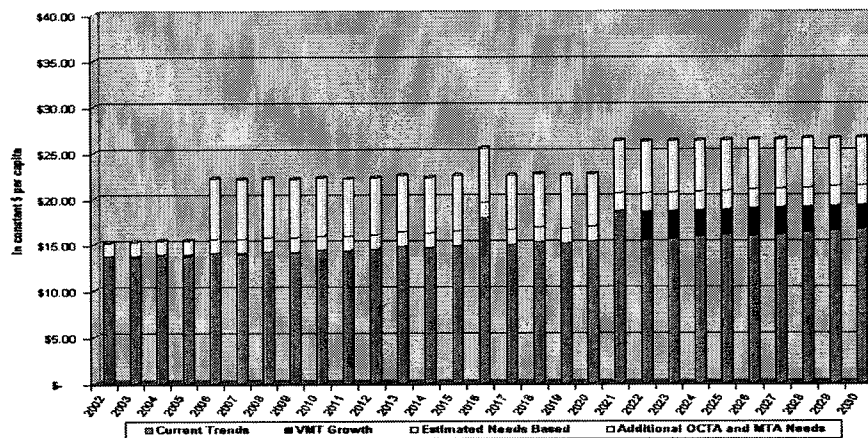
Preservation cost analysis – OCTA and MTA Estimate additional needs totaling almost \$2.9 billion



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Preservation costs per capita show an annual cost of between \$13 and \$27 per year depending on the strategy selected



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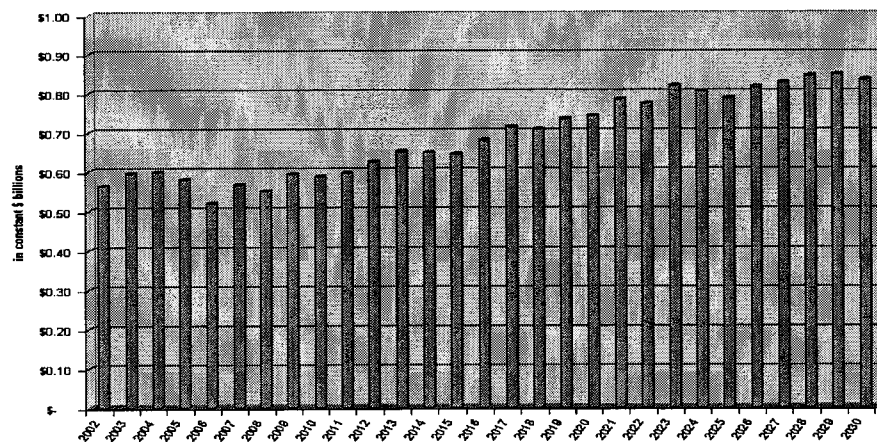
Transit preservation costs

Costs were derived based on short range transit plans and revenue trends

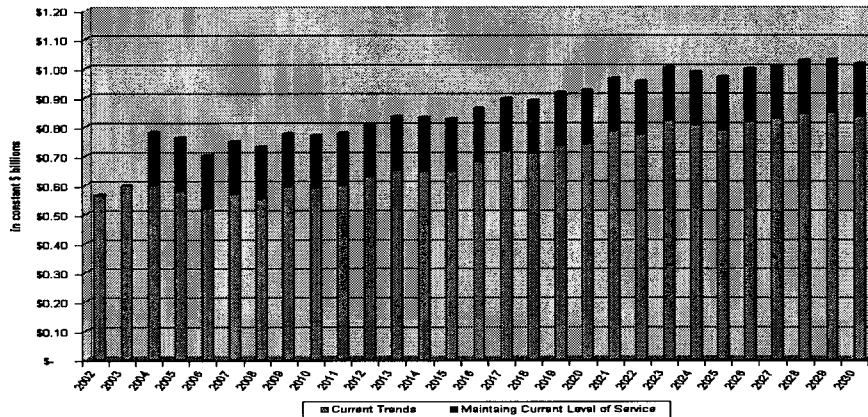
Technical difficulties make it impossible to estimate needs beyond the plans and trends

If transit agencies can identify and define additional unmet needs, we can incorporate the results into the analysis – for now we are assuming that projections meet needs.

Current trends for preservation costs for transit add up to more than \$20 billion



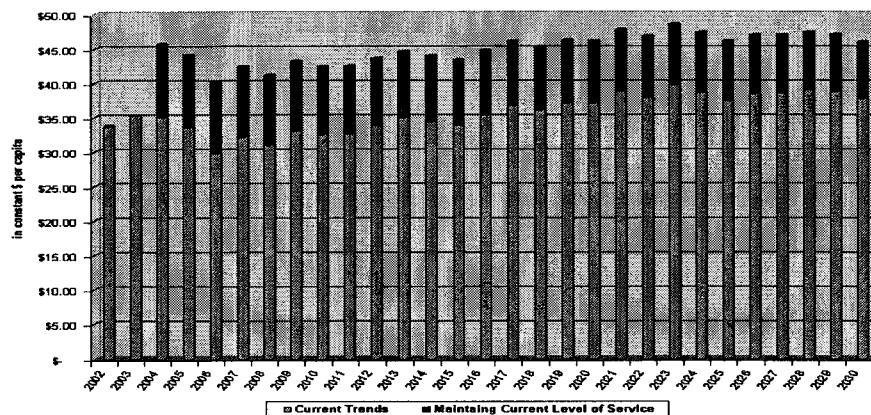
Including the needs estimated by the SR 8 effort to maintain current level of service adds almost \$5billion



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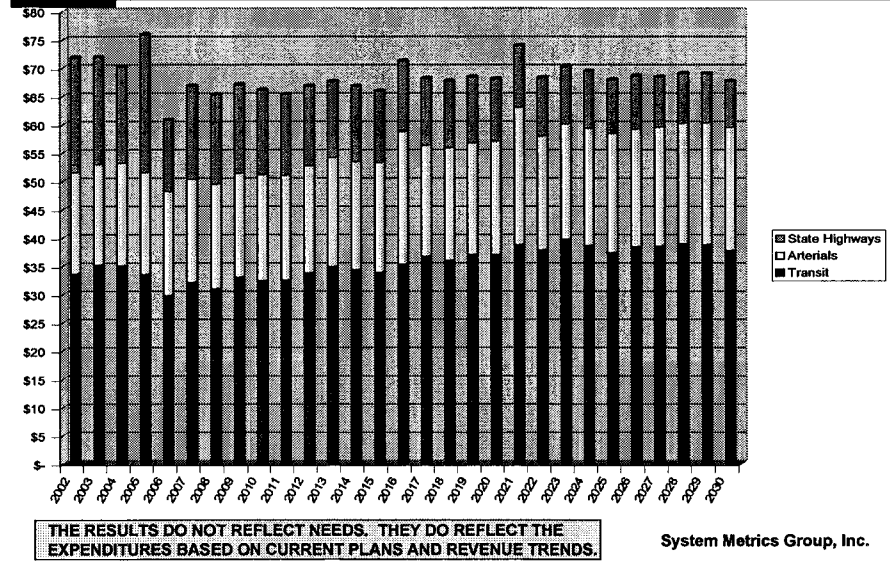
Preservation costs per capita for transit range between \$30 and \$48 per year depending on the strategy selected



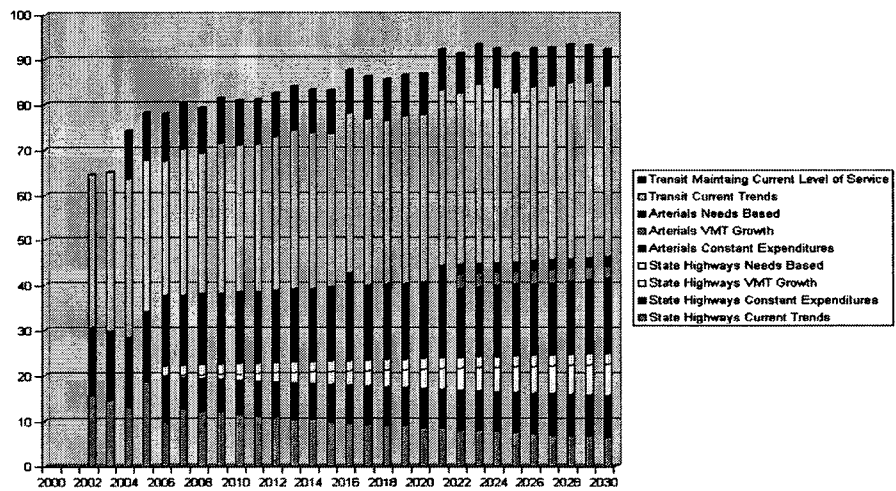
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Based on current trends, total preservation ranges between \$60 and \$75 per capita (per year)



Depending on the strategy adopted, costs could add up to over \$90 per capita per year



Strategy Options and associated funding needs

No change from current trends

- total costs add up to \$34 billion

Assume constant state highway expenditures

- total costs add up to \$38.2 billion

Assume state highway and arterial expenditures grow by VMT

- total costs add up to \$40.6 billion

Assume state highway and arterial expenditures meet all needs

- total costs add up to \$45.6 billion

Assume transit needs to maintain current service is met

- Total costs add up to \$49.5 billion

At this point, we recommend assigning at least \$6.6 billion to address preservation over and beyond current trends